

**At a Glance - Overview**

Overall, there is a projected underspend in the region of **£2.6m** at year-end..

The is primarily due to:

- Restructuring savings arising from external support services contracts (Liberata and Brent), and staff savings from the corporate and Liberata projects totalling £2,370k this is offset by redundancies - £600k
- Core salaries - is expected to be under budget by £424k.
- Increased dividends from Geoplace - £250k.
- Decreased net programme costs - £416k
- Increased Contribution to overheads - £145k
- Reduced rent & increased maintenance costs in both Local Government House & Layden House - £376k

The development fees for Layden House in the current are currently projected to be £1.97m. Note LGMB cash balances are now almost nil, as a result of this expenditure. Proposals will be bought forward in the new year to fund the development project. In the meantime cashflow is being funded from within the Groups significant treasury management balances.

100% of Subscriptions have been collected for 2015/16.

**Core Activities**

The LGA's overall income is projected to be in the region of **£0.3m** higher than budgeted income. Operating expenditure has projected underspends in the region of **£2.2m** against budgets. The key variances are:

**- Restructuring and External Shared Services Contracts - (Liberata and Brent) underspend £2,370k**

A reduction in both costs and income represent the agreed charges between Liberata and Brent and the LGA and other parties.

**- Core Salaries- underspend £424k**

Due to to savings from restructuring.

**- Redundancies additional costs - £600k**

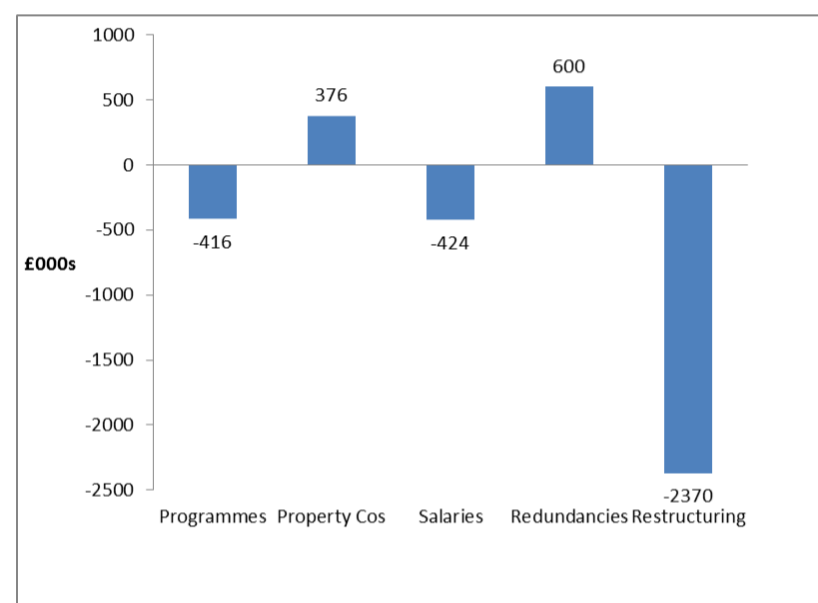
The estimated forecast is due to the recent restructure.

**- Property Companies overspend - £376k**

Largely due to unbudgetted maintenance costs and reduced rent.

**- Programme underspend - £416k;**

mainly due to Finance & Policy - £96k, Communications - £160k, Workforce, Leadership & Productivity - £160k.

**Ring-fenced Activity**

The variances in forecasts for ringfenced activity are mainly due to increased income from: Care & Health programmes - £1.23m, Yr2 for Open Data Release - £1m, Police Negotiations - £52k, Scottish Police Negotiations - £50k and Customer Led Transformation - £50k this is offset by Pensions reduction - £121k.

In total £12.4m in grant / ring-fenced income. This is expected to generate £1.25m in contribution to overheads, **£145k** over the current budget.

**Risks**

The supplier payments target of 95% is not being met; this month 91% was reached; this is partly due to purchase orders not being raised in advance of the invoice being received. In budget terms this could create an overspend due to commitments not being correctly monitored.

**Opportunities**

The percentage of actuals spent compared to the programme full year budget is 42%; this breaks down to Finance & Policy 25%, Workforce Leadership & Productivity - 35%, Communications - 51% and Organisational Governance - 55%; this could lead to a greater underspend at year-end.

## LG COMPANY REPORT - TOP LEVEL CONSOLIDATION - OCTOBER 2015

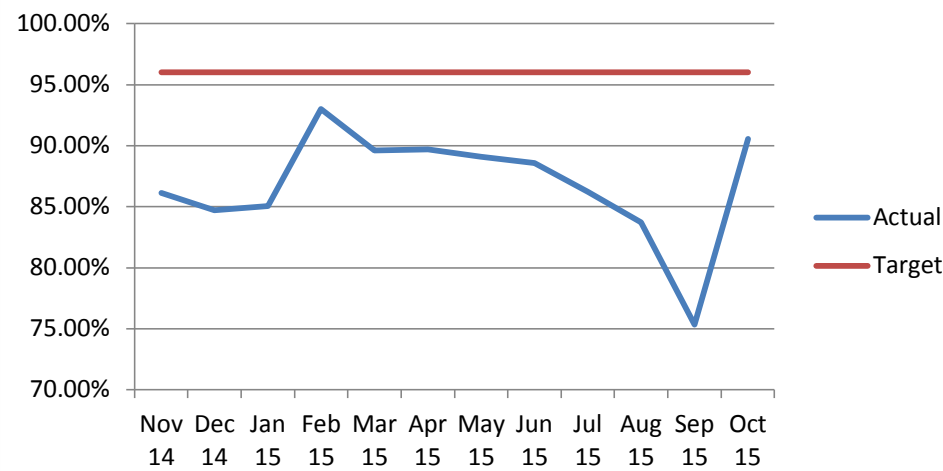
RAG Status Key	
G	Within 5% of budget
A	Between 5% - 10% of budget.
R	10% under /over budget

As at Period 7								
Description	Year to date			Full year			Commentary	RAG Status
	Budget YTD	Actuals YTD	Variance YTD	Budget Year	Forecast Outturn	Budget to Outturn Variance		
	2015/16 £000s	2015/16 £000s	2015/16 £000s	£000s	2015/16 £000s	2015/16 £000s		
<b>INCOME:</b>								
Subscription Income (Net of discounts)	(9,414)	(9,422)	(7)	(9,414)	(9,422)	(8)	Subscriptions slightly higher than expected estimated budget. 100% has been collected to date.	G
RSG Income	(13,448)	(13,637)	(189)	(22,832)	(22,832)	-	On-budget	G
Welsh RSG Income	(175)	(175)	(0)	(299)	(299)	-	On-budget	G
Income from Direct Services	(2,181)	(2,356)	(175)	(3,703)	(3,688)	15	The year-end variance are mainly due to an undercollection of negotiations subscriptions - £31k, NGDP - £27k and Peer Support - £45k off-set by: Inform plus - £46k, LG Support team - £15k, Research & Information - £10k, Communications - £12k and Political Offices - £5k.	G
Rental Income	(649)	(894)	(245)	(1,255)	(1,194)	61	In-year variance is timing difference. The year-end variance is due to Land Data and Telappliant leaving Layden House and Liberata leaving LGH.	G
Other Income	(74)	29	102	(130)	(234)	(104)	The year-end variance is mainly due to unbudgeted income within Legal Services, increased investments and room hire income.	G
Dividends	(750)	(750)	-	(1,500)	(1,750)	(250)	The year-end variance is due to the Geoplace monthly report indicates an increased dividend in 2015/16.	G
<b>Total Core Income</b>	<b>(26,736)</b>	<b>(27,219)</b>	<b>(483)</b>	<b>(39,224)</b>	<b>(39,510)</b>	<b>(285)</b>		

As at Period 7								
Description	Year to date			Full year			Commentary	RAG Status
	Budget YTD	Actuals YTD	Variance YTD	Budget Year	Forecast Outturn	Budget to Outturn Variance		
	2015/16 £000s	2015/16 £000s	2015/16 £000s	£000s	2015/16 £000s	2015/16 £000s		
<b>EXPENDITURE:</b>								
Core Employee Costs	9,188	9,256	68	15,203	14,779	(424)	In-year variance is due to redundancy payments not yet taken. Year-end variance is mainly within Local Government Support Team this could be used to fund a research project and recent vacancies in Communications.	G
Extra Employee Costs	-	47	47		600	600	Redundancy allowance - year to date expenditure will be offset against last year's provision. The year-end forecast is due to the recent restructure.	R
RSG payments to 3rd parties	1,671	1,046	(625)	1,671	1,671	-	On-budget	G
Programme Costs	5,866	3,918	(1,948)	10,557	10,126	(431)	The year-end variance is due to overspends: Political Offices - £5k, Productivity - £50k, LG inform - £36k and Improvement Support - £3k this is offset by an underspend in Finance & Policy - £96k, Negotiations - £39k, NGDP - £4k, Support for Councils at Risk - £50k, Leadership & Localism - £61k, Sector Led Body - £100k, Peer Support - £25k and Conference & Events - £150k.	G
Liberata/Brent Contract	1,423	(979)	(2,402)	2,143	1,473	(670)	The year-to-date variance is due to timing difference on invoices paid and received. The underspend is due to the agreed remaining charges between Liberata and future costs with Brent using the model set at 450 users.	G
Shared Services	(152)	2,628	2,780	(55)	(55)	-	In-year variance is timing difference. On-budget at year-end	R
Other running costs	1,928	1,286	(642)	5,095	3,574	(1,521)	The year-end underspend is due to: Savings from restructure - £1.7m, lower than expected consultancy costs in Business Management - £140k offset by Legal services - £14k, increased Corporate costs - £197k, Teckal set up costs - £11k and Commercial Activity - £38k	G
Property Costs	1,127	1,529	402	2,343	2,658	315	The overspend is made up of: Maintenance costs - £170k Local Government House and £554k Layden House.	R
Pensions - Past employees	490	(143)	(633)	940	940	-	On-budget	G
Pension Deficits Reduction Payments	-	1,278	1,278	2,433	2,433	-	On-budget	G
<b>Total Core Expenditure</b>	<b>21,540</b>	<b>19,864</b>	<b>(1,676)</b>	<b>40,329</b>	<b>38,199</b>	<b>(2,131)</b>		
<b>NET CORE POSITION (Surplus) Deficit</b>	<b>(5,196)</b>	<b>(7,356)</b>	<b>(2,160)</b>	<b>1,105</b>	<b>(1,311)</b>	<b>(2,416)</b>		

As at Period 7								
Description	Year to date			Full year			Commentary	RAG Status
	Budget YTD	Actuals YTD	Variance YTD	Budget Year	Forecast Outturn	Budget to Outturn Variance		
	2015/16 £000s	2015/16 £000s	2015/16 £000s	£000s	2015/16 £000s	2015/16 £000s		
Ring Fenced income	(5,254)	(7,770)	(2,516)	(10,182)	(12,439)	(2,257)	The year-end variance are mainly due to an increase in income from: Care & Health programmes - £1.23m, Yr2 for Open Data Release - £1m, Police Negotiations - £52k, Scottish Police Negotiations - £50k and Customer Led Transformation - £50k this is offset by Pensions - £121k.	G
Ring-fenced expenditure	6,184	7,153	969	10,182	12,439	2,257	As above	R
Ring-fenced overhead recovery	(623)	(719)	(97)	(1,105)	(1,250)	(145)		G
<b>Net Ring Fenced Position</b>	<b>307</b>	<b>(1,336)</b>	<b>(1,643)</b>	<b>(1,105)</b>	<b>(1,250)</b>	<b>(145)</b>		
<b>NET LGA POSITION (Surplus) Deficit</b>	<b>(4,889)</b>	<b>(8,692)</b>	<b>(3,803)</b>	<b>-</b>	<b>(2,561)</b>	<b>(2,561)</b>		

**Supplier payments within 30 days**



The LGA is currently paying 91% of invoices within 30 days of the invoice date.

One cause of delay is POs being raised after the invoice has been received, 92 transactions in October at a total value of £346k.

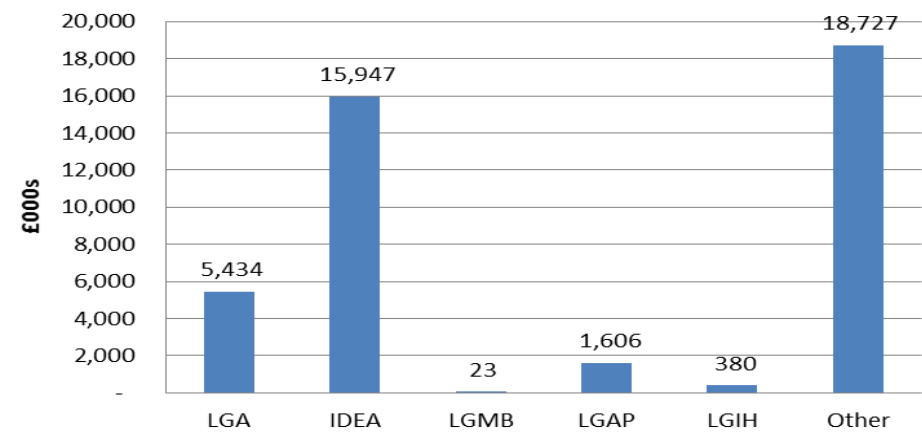
The line in the graph plots the gap to compliance over the last year.

Directorate	Total
Finance & Policy	13
Chief Executives	33
Workforce, Leadership & Productivity	31
Communications	15
<b>Grand Total</b>	<b>92</b>

**Supplier payments over £100,000 - rolling 12 months**  
(excl. payments to Local Authorities and Pension Funds, and inter company payments)

Name	Value
LIBERATA UK LTD	5,935,586.52
BEVAN BRITTAN LLP	1,461,806.38
PORISM LTD	600,660.11
ARK BUILD PLC	450,769.79
WARWICK UNIVERSITY TRAINING LTD	446,223.40
CLICK TRAVEL LTD	436,958.45
PETER BRETT ASSOCIATES LLP	264,812.72
POLYGLOBE LTD	237,927.43
CONSEIL COMMUNES REGIONS EUROPE - (CCRE -CEMR)	231,916.33
SIZZLE	193,929.78
ROBERT HALF LTD	175,038.17
SHARED INTELLIGENCE LTD	166,511.40
UNIVERSITY OF BIRMINGHAM	142,775.96
SOLACE FOUNDATION	139,384.97
URS INFRASTRUCTURE & ENVIRONMENT UK LTD	124,574.18
E C HARRIS LLP	124,154.19
SOLACE	113,588.16
VEREDUS	112,200.00
ERNST & YOUNG LLP	106,994.30
LITTLEJOHN	106,000.00
FORTISMERE ASSOCIATES LTD	104,667.18
EDF ENERGY 1 LIMITED	102,217.47
MSA ASSOCIATES	100,735.64
<b>TOTAL</b>	<b>11,879,433</b>

**Company Investments**



**Subscription Income Collection (Net of discounts)**

	2015/16 to P7 £000s	2014/15 to P7 £000s	Variance £000s
Full Year Budget	(9,414)	(9,468)	54
Amounts Invoiced / Credited	(9,414)	(9,468)	54
Amounts Collected	9,414	9,468	(54)
%age of budget	100%	100%	0%
Amounts Outstanding	0	0	0

**TOTAL** 11,879,433

Of payments made in the last year, suppliers over £100k account for >>>> **34%**

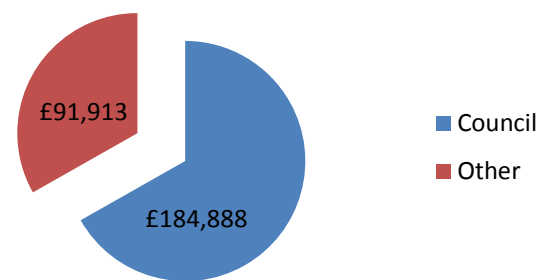
Note remaining balances are held in overnight cash deposit accounts. The total cash investment is £42.1m

**Row Labels**

Bank of Scotland	£ 1,500,000
Commonwealth Bank of Australia	£ 1,500,000
Nationwide	£ 1,500,000
Santander	£ 1,500,000
United Oversea Bank	£ 1,500,000
Public Sector Investment Fund	£ 10,500,000
Australia & NZ Group	£ 1,500,000
Bank of Nova Scotia	£ 1,500,000
Investment Account	£ 2,634,900
Standard	£ 1,500,000
Lloyds	£ 1,500,000
Credit Suisse	£ 1,500,000
Nordea Bank AB	£ 1,500,000
Rabobank	£ 1,500,000
Landesbank Hessen-Thuringen	£ 1,500,000
Daimler AG	£ 2,987,294
Coventry BS	£ 1,500,000
DZ Bank	£ 1,500,000
Oversea-Chinese Banking Corporation	£ 1,500,000
UK Treasury Bills	£ 1,994,629
<b>Grand Total</b>	<b>£ 42,116,824</b>

The LGA has a KPI to have no debt over 12 months old. To achieve this £19.9k needs to be collected (1.3%); there is significant work taking place to achieve this KPI. The total debt for LGA currently stands at £1.50m. The average debtors days is 39 days. The graph below shows current values for our Council Members and other organisations.

**Over 2 months debt**



There are no new suppliers over £100k.

**Outstanding debt over 2 months - comparison to last year**

